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ABSTRACT

Results of a 1984 survey of pensions plans in 17 Ontario, Canada, universities are presented. Information is provided on: eligibility, types of plan, member contributions, university contributions, benefits on normal retirement (age 65) and on early retirement (age 55), trustee and investment manager, and pension committee composition and status. There are nine defined benefit plans, seven money purchase plans with minimum guarantees, and one money purchase plan with no guarantees; one university has a plan with minimum guarantees for those who were 45 years of age and belonged to the old plan as of July 1970. Contribution rates vary widely, and in all but four plans, university contributions at least match member contributions, but must also provide the benefits occurring under the plan. Indexing and annuities are also covered, along with benefit provisions on termination of employment and on death. The following universities are covered: Brock University, Carleton University, University of Guelph, Lakehead University, Laurentian University, McMaster University, Ontario Institute for Studies in Education, University of Ottawa, Queen's University, Ryerson, University of Toronto, Trent University, University of Waterloo, University of Western Ontario, Wilfrid Laurier University, University of Windsor, and York University. (SW)

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# UNIVERSITY BENEFITS SURVEY

## PART II (PENSIONS)

DECEMBER, 1984

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## SURVEY SUMMARY

The following summarizes the results of this survey of pension plans in Ontario universities according to type of plan, eligibility, contributions, and benefits.

**Type of Plan:** There are 9 defined benefit plans, 7 money purchase plans with minimum guarantees, and 1 money purchase plan with no guarantees, although Western does have a minimum guarantee for those faculty who were age 45 and belonged to the old plan as of 1 July 1970, and for staff who were regular full-time employees on May 1, 1974. The faculty plan at Western is stacked and the Staff Plan is integrated, with the Canada Pension Plan with regard to contributions and benefits.

**Eligibility:** All plans are eligible to full-time academic and non-academic staff. In addition, McMaster, OISE, Queen's and Toronto offers membership to part-time staff. Participation is compulsory from date of appointment in 4 plans, from age 25 in 1 plan, from age 30 in 9 plans, from age 35 in 2 plans, and after 6 months employment in 1 plan.

**Member Contributions:** Contribution rates vary widely (percentage of regular earnings):

i) 2½% up to YMPE and 5% in excess - 1 plan
ii) 3% up to YMPE and 6% in excess - 1 plan
iii) 3.2% up to YMPE and 5% of excess - 1 plan
iv) 3½% up to YMPE and 5% in excess - 1 plan
v) 4.2% up to YMPE and 6% in excess - 1 plan
vi) 4½% up to YMPE and 6% in excess - 4 plans
vii) 6% less CPP - 6 plans
viii) 6½% less CPP - 1 plan
ix) 5½% to univ. plan - 1 plan

**University Contributions:** In all but 4 plans, university contributions at least match member contributions, but must also provide the benefits accruing under the plan. In the remaining five plans, the university contributes 7.5% less C.P.P. (Queens & Western Staff Plan) and 8.5% (Western Faculty Plan and Laurentian) 8.4% (Carleton).

**Benefits:**

1) on Normal Retirement:

In all plans, normal retirement is at age 65. Of those defined benefit plans or money purchase plans with minimum guarantees, 2 plans (Brock and Ryerson) reduce university pension only back to 1 January 1966 by way of integration with the CPP. Two other plans (Carleton and Wilfrid Laurier) also reduce pensions by 1/35th of CPP benefit, but for all years of service to a maximum 35 years. The remaining plans provide benefits based on a percentage of the average of/or year/s maximum pensionable earnings (YMPE) of the CPP plus a (higher) percentage on average best years' earnings in excess of the YMPE. Average best years' earnings are calculated on those 5 years of highest earnings in 10 plans, on those 60 consecutive months of highest earnings in 4 plans, on those 5 years of highest earnings in the last 10 years in 2 plans, and on those 5 years of highest earning since July 1, 1960 in 1 plan.

Indexing:

In 7 plans, indexing is to a maximum 2%, in 1 plan (Laurentian) to a maximum 3%, in 1 plan (Waterloo) from a minimum 5%, in 2 plans based on what fund could afford, 3 plans have no indexing or no formal policy, 2 plans provide Ad Hoc adjustments, and 1 plan (Ryerson) has a special fund.

Standard Options:

The Annuity or benefit is normally payable for life but guaranteed 60 months in any event in 12 plans, payable for life but guaranteed 120 months in 1 plan, and payable for life only in 3 plans. Other options are available in all plans.

2) on Early Retirement:

In all plans, early retirement may begin at age 55. In all plans with minimum gaurantees and in all defined benefit plans, the amount of benefits is based on service and earnings to early retirement regardless of when benefits commence. The member normally has a choice of a deferred benefit or annuity beginning at normal retirement or a reduced benefit beginning at early retirement.

3) on Termination:

In all plans, member has choice of (i) deferred benefit payable at normal retirement, (ii) transfer of money purchase fund (in money purchase plans) or twice member's contributions plus interest (in defined benefit plans) to the registered pension fund of a new employer or to an RRSP, or (iii) refund of total account including interest. The choice of options is governed in part by Ontario pension laws. Option (iii) is only available in 1 plan (Western), and the refund is twice the member contributions plus interest in another plan (Trent).

4) on Death:

Before retirement:

In 14 plans, the beneficiary receives either all member and university contributions plus interest or only member's contributions plus interest as an annuity, in instalments, or as a lump sum. In 2 plans, there is a benfit paid to the spouse (usually 50% of member's pension) or, if no spouse, the beneficiary receives member's contributions plus interest.

After retirement:

In all plans, benefit entitlement to the beneficiary is determined by the guaranteed period of benefit payments.

Model Pension Calculation:

An example of calculation is shown in each case of the pension provided under a defined benefit formula or a minimum guarantee formula. The average best year's earnings (ABYE) was taken as being $50,000 regardless of the time period over which it was calculated. The example assumes normal retirement at age 65 with 35 years of service. Annual pensions from the formulae range from $24,055.50 at York to $32,379.20 at Western (Staff Plan). These pensions are in addition to Canada Pension Plan and Old Age Security benefits.

## DESCRIPTION OF TERMS AND ABBREVIATIONS USED

1) Pension Plans:

**Money Purchase:** employee and employer both contribute a fixed percentage of salary to a fund which is expected to grow through investmetn. At retirement, this fund is used to purchase an annuity which will provide the annual pension benefits to the employee. There are no specific provisions made for dealing with inflation but these plans are usually fully portable.

**Money Purchase with Minimum Guarantee:** employee and employer both contribute specified amounts as in the money purchase plan but, in addition, the employer guarantees a minimum pension via a formula such as in the defined benefit plans. At retirement, the employee chooses between the benefits provided by the money purchase and the minimum guarantee. The minimum guarantee component of most plans is indexed to a maximum 2-3% as a means of offsetting inflation. The money purchase component is usually fully portable.

**Defined Benefit:** employee contributions are a fixed percentage of salary but employer contributions vary according to actuarial projections of the pension fund. At retirement, the employee receives an annual benefit based on the product of a specified percentage time years of credited service times a specified average salary (usually the average of the best five years' earnings). Most plans are indexed to a maximum 2-3% and are certainly less than fully portable.

2) Pension Benefits:

**Variable Annuity:** an annuity which remains constant during any specified pension year but varies from year-to year depending on the investment performance during the preceding year of that portion of the pension fund relating to retired members.

**Fixed Annuity:** an annuity which remains constant both during any one year and from year-to-year.

**Life Only:** benefit which is payable until death at which time payments cease.

**Life Guaranteed 60 Months:** a pension benefit which is payable for life but guaranteed 60 months in any event. The benefits may also be guaranteed for 120 or 180 months but the monthly pension payments are usually reduced accordingly.

**Joint and Last Survivorship:** a pension benefit which is payable for the member's lifetime then continues to his/her beneficiary for the remainder of that person's lifetime. The monthly pension payments are usually somewhat less than those of the life only or life guaranteed benefits.

3) Abbreviations:

**ABYE:** Average Best Years' Earnings found by calculating the average salary over the best five years' earnings, or over the best five of the last ten years' earnings, or over the best five consecutive years' earnings.

| | |
|---|---|
| YMPE: | Year's Maximum Pensionable Earnings as established each year by the Canada Pension Plan (CPP). For 1984, the YMPE is 20,800. |
| Avg YMPE: | Average YMPE calculated as an average of the YMPE values for those same years used to calculate the ABYE. |
| FX: | The excess of ABYE over YMPE or avg YMPE. |
| YS: | Years of credited service. |
| CPP Benefit: | Annual retirement benefits equal the product of 11 times a basic monthly amount found by taking 25% of the average monthly pensionable earnings'. For a member who earned at least the amount of the YMPE for each year contributions were made to the CPP, the CPP benefit for a member retiring in 1984 would be 4,650.00. |

4) Fund Performance:

Rates of return on investment for different pension plans should not be directly compared since methods of calculating rates of return are many and varied. Unless the method is known, fund performance values of different plans cannot be meaningfully compared.

5) Model Pension Calculations:

In calculating the minimum guaranteed annual pension of the annual pension provided by the defined benefit formula, the following assumptions were used:

i) ABYE = $50,000
ii) YS = 35 years
iii) YMPE = $18,500

## BROCK UNIVERSITY

| | |
|---|---|
| Type of Plan: | money purchase with minimum guarantee |
| Eligibility: | all full-time academic and non-academic staff; optional to age 30 and then compulsory |
| Member Contributions: | 6% of regular earnings less CPP contribution |
| University Contributions: | amount necessary to provide the retirement benefits accruing to members; as of July 1, 1981, 126% of member contributions |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | a variable of annuity purchased by the (age 65) vested amount in the money purchase fund at retirement subject to the minimum guarantee; (1.7% x ABYE x YS) - (CPP benefit x 1/35 x YS after 01.01.66, max. 35 yrs.) ABYE calculated over those five years of highest earnings. |
| Indexing: | maximum 2% per annum cumulative (applicable to the minimum guarantee only). Variable annuity varies in accordance with fund performance. |
| Standard Options: | the annuity is normally a life annuity guaranteed 60 months but may optionally be:<br>i) life only<br>ii) life guaranteed 120 months<br>iii) joint and last survivorship<br>other options are available |
| 2) on Early Retirement: (age 55) | member's choice of either a deferred variable annuity, commencing at normal retirement, or a variable life annuity, commencing at early retirement, both subject to the minimum guarantee. Benefits paid early are actuarially reduced. |
| 3) on Termination: | member's option of (subject to pension laws):<br>i) a deferred annuity payable at normal retirement<br>ii) transfer of money purchase account to registered pension fund of new employer or rrsp.<br>iii) refund of member contributions and interest. |
| 4) on Death: | beneficiary has option of: |
| Before retirement: | i) payment of member's money purchase account and interest to beneficiary, or<br>ii) if beneficiary is spouse or dependent children, a pension to be the greater of 50% of member's accrued pension or 10% of average best five years' earnings can be opted for. |
| After retirement: | the benefit entitlement to beneficiary as determined by the option elected. |
| Model Pension Calculation: | minimum annual guaranteed pension:<br>(1.7% x $50,000 x 35) - ($4,650 x 1/35 x 18.5)<br>= $29,750 - $2,459.85<br>= $27,290.15 |

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| Trustee: | Canada Trust |
| Investment Manager: | Canada Trust |
| Pension Committee: Composition: | the Vice-President, Administration and Director of Personnel Services as ex-officio and five members appointed by the Board of Trustees, four of whom shall be members of the pension plan. |
| Responsibility: | to provide an ongoing review of the design of the pension plan and to review the investment performance of the trust fund. |
| Status: | |
| Unfunded liability: | N/A |
| Fund performance: | rate of return on investments based on market value: |

| | | | |
|---|---|---|---|
| 1983-84 | 3.8% | 1978-79 | 17.3% |
| 1982-83 | 38.4% | 1977-78 | 7.6% |
| 1981-82 | -1.0% | 1976-77 | 10.8% |
| 1980-81 | 13.5% | 1975-76 | 6.1% |
| 1979-80 | 11.8% | 1974-75 | 9.7% |

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| Actuarial assumptions in the fund projection: | - Interest 4.5% per annum<br>- Salary Scale 2.5% per annum<br>- C.P.P. YMPE increasing at 1% per annum |
| Experience deficiency: | N/A |
| Reciprocal agreements: | Reciprocal agreements exist with the Public Service Superannuation, Teachers' Superannuation, and the Government Pensions Board of Alberta. |

## CARLETON UNIVERSITY

**Type of Plan:** money purchase with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff; eligible but not compulsory until age 30

**Member Contributions:** 6% of regular earnings less CPP contributions

**University Contributions:** at least 8.4% of member's regular earnings less C.P.P. contribution (currently 8.4%).

**Benefits:**

1) **on Normal Retirement:** (age 65) annuity purchased by the vested amount the money purchase fund at retirement subject to the minimum guarantee:
(2% x ABYE x YS) - (CPP benefit x 1/35 x YS to maximum 35 years). ABYE is calculated over those six years of highest earnings.

**Indexing:** 4 year average rate of investment earnings on the fund less 6% but in no event does pension decrease.

**Standard Options:** the annuity is normally payable for life only but may optionally be:
i) life guaranteed 60 months or 120 months or 180 months
ii) joint and last survivorship
iii) combination of above

2) **on Early Retirement:** (age 55) an actuarially reduced annuity commencing at early retirement. The minimum guarantee is actuarially reduced approximately 5% for each year early retirement precedes normal retirement

3) **on Termination:** member's option of (subject to pension laws)
i) deferred annuity
ii) transfer of money purchase account to registered pension fund of new employer or to a locked rrsp
iii) refund of member contributions plus interest to date or refund
iv) immediate life annuity purchased from an insurance Company

4) **on Death:**

**Before retirement:** beneficiary has option of receiving member's money purchase account as a lump sum, or if spouse, as a life annuity.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments

**Model Pension Calculation:** minimum gueranteed annual pension:
(2% x $50,000 x 35) - ($4,650 x 1/35 x 35)
= $35,000 - 4,650
= $30,350

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| Trustee: | Guaranty Trust |
| Investment Manager: | Toronto Investment management, inc. |
| Pension Committee: Composition: | Two administrative members, ex-officio, two members appointed by Academic Union, one member appointed by Support Staff Union, one member elected by and representing four smaller unions and one member elected by and representing non-union staff. |
| Responsibility: | Responsible for reviewing the performance of the Trust Fund and oversees the administration of the Plan, including the interpretation and application of the provisions of the Plan together with eligibility, service, earnings and retirement dates of members. |
| Status: | |
| Fund performance: | rates of return on investments made by the fund:<br>1973-74 = -3.24% 1974-75 = 9.70% 1975-76 = 9.63%<br>1976-77 = 9.77% 1977-78 = 10.84% 1978-79 = 21.07%<br>1979-80 = 14.16% 1980-81 = 10.37% 1981-82 = -4.42%<br>1982-83 = 38.32% 1983-84 = 2.45% |
| Unfunded Liability: | $451,698 |
| Experience Deficiency: | NONE |
| Actuarial Evaluation Date: | Last actuarial evaluation - July 1, 1984 |
| Actuarial assumptions in the fund projection: | given the current rate of employee/employer contributions, assumptions made by the actuary in projecting the fund's solvency are: rate of salary increase = 5%, rate of return on investments = 6%. |
| Indexing (actual): | variable, depending on investment performance |
| Portability: | A member may arrange for the deposit to the plan of any amount available for transfer from a former employer's pension plan. The period of credited service with another employer is calculated by the University upon advice of the Actuary such that the additional actuarial liability of the Plan is equal to the transfer amount. |
| Anticipated changes: | NONE |
| Reciprocal Agreements: | A reciprocal agreement exists with the Ontario Public Service Superannuation Branch and with the Federal Government. |

## UNIVERSITY OF GUELPH

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic and non-academic staff except those under age 21 or over age 64; optional to age 30.

**Member Contributions:** 6% of regular earnings less CPP contributions

**University Contributions:** amount necessary to provide the retirement benefits accruing to members.

**Benefits:**

1) **on Normal Retirement:** (age 65) the annual pension provided by the formula: [(1.05% x avg YMPE) + (1.5% x EX)] x YS before age 45 + [(1.4% x avg YMPE) + (2.0% x EX)] x YS after age 45. ABYE, used in finding EX, is calculated over the best 60 consecutive months of earnings (avg YMPE = moving 60 month average of YMPE)

**Indexing:** A percentage equal to the lesser of;
(a) 50% of the increase in the CPI in the previous year; or
(b) The excess of the actuarial rate of return over 7% where the actuarial rate of return was based upon a 5-year adjusted rate as set forth in the actuarial report.

**Standard Options:** the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available:
i) life guaranteed 120 or 180 months
ii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal retirement

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement based on service and earnings to resignation
ii) transfer of twice member's contribution plus interest to registered fund of new employer or to an approved RRSP
iii) refund of member contributions and interest

4) **on Death:**

**Before retirement:** beneficiary has option of receiving member's contributions plus interest, as a lump sum, as life annuity, or in instalment payments

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments

**Model Pension Calculation:** Based on an average salary of $50,000 with 35 years of service as of July 1, 1984

| | | | |
|---|---|---|---|
| 1.05% x 15,810 (C.P.P. Average Base) | x 15 years = | $ 2,490.07 |
| + 1.5% x 34,190 | x 15 years = | $ 7,692.75 |
| + 1.4% x 15,810 (C.P.P. Average Base) | x 20 years = | $ 4,426.80 |
| + 2.0% x 34,190 | x 20 years = | $13,676. |
| | | $28,285.62 |

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|---|---|
| Trustee: | Canada Trust Master Trust |
| Investment Manager: | Canada Trust; Knight, Bain, Seath, Holbrook; McLean Budden |
| Pension Committee: Composition: | 10 members of Board of Governors plus 3 University employees representing 3 pension plans. |
| Responsibility: | Responsible for the investment policy, investment performance, and overall administration of pensions & benefits. |
| Status: | |
| Unfunded liability: | NIL |
| Fund performance: | 4 year moving average 1983 - 15.0<br>1982 - 13.0<br>1981 - 15.2<br>1980 - 14.5<br>1979 - 15.6<br>1978 - 15.2<br>1977 - 9.0 |
| Actuarial Evaluation Date: | evaluated annually, last one September 30, 1983 |
| Reciprocal Agreements: | public service - federal and provincial Ontario Secondary School Teachers, Province of Alberta, McGill University, University of Toronto |
| Actuarial assumptions in the fund projection: | 7% investment income<br>6% salary increases + merit/promotion |
| Indexing (actual): | on 1 January 1974, 2% for each year member had been on pension to that date, and on 1 January 1976, 15% to each member on pension, for the period 1 January 1974 to 31 December 1975, and on September 1, 1979 2%, for each year from January 1, 1976, on September 1, 1980 3% per annum, and September 1, 1981 5% per annum. September 1, 1982 3%, September 1, 1983 3% per annum and September 1, 1984 2.5%. |
| Portability: | pension credits, that is, both member and university contributions plus interest, are transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, would probably be lost in the transfer. |
| Anticipated changes: | none at present. |

## LAKEHEAD UNIVERSITY

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic and senior support staff; compulsory from date of appointment

**Member Contributions:** 6½% of regular earnings less CPP contributions

**University Contributions:** at least an amount equal to the member's required contributions

**Benefits:**

1) **on Normal Retirement:** (age 65)
the annual pension provided by the formula:
[(1.2% x avg YMPE) + (1.75% x EX)] x YS.
ABYE, used in finding EX, is calculated over those 60 consecutive months of highest earnings.

**Indexing:** maximum 2% per annum

**Standard Options:** the benefit is normally payable for life, but guaranteed 120 months in any event (with provisions for spouse and dependents pension benefits), although the following options are available:
i) life only
ii) joint and last survivorship

2) **on Early Retirement:** (age 55)
the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal rotirement

3) **on Termination:**
member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement based on service and earnings to resignation
ii) transfer of member's contributions plus a vested portion of university contributions to registered pension fund of new employer or RRSP (subject to certain conditions)
iii) refund of member contributions and interest

4) **on Death:**
**Before retirement:** beneficiary has option of receiving member's contributions plus interest, as a lump sum or in installment payments

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments

**Model Pension Calculation:** annual pension provided by the formula:
assuming avg. salary 50,000, 35 yrs of service and average Y.M.P.E. of 16,720 (over last 5 years)
[(1.2% x 16,720) + (1.75% x 33,280)] x 35
= $27,406.40

| | |
|---|---|
| Trustee: | Royal Trust |
| Investment Manager: | Sceptre Investment Counsel Ltd. |
| Pension Committee: Composition: | Vice-President (Finance), Chairman; Vice-President (Administration); Director of Personnel; two representatives selected by faculty; one non-faculty representative. |
| Responsibility: | (a) to provide an ongoing review of the design of the pension plan and of other insurance benefits plans for professional staff<br>(b) to review alternative terms for the pension plan and for other insured benefits plans and to suggest possible changes in those plans for consideration by the Staff Relations Committee of the Board of Governors and by plan members.<br>(c) to review triennial Actuarial Valuations of the pension plan and other performance reports and to suggest possible changes in investment strategy for consideration by the Investment Committee of the Board of Governors. |
| Status: Unfunded liability: | NIL |
| Fund performance: | total fund annual results (at market)<br>1979-80 = 15.5% 1980-81 = 11.7%<br>1981-82 = - 2.2% 1982-83 = 40.4%<br>1983-84 = 0.9% |
| Actuarial Evaluation Date: | December 31, 1980 |
| Actuarial assumptions in the fund projection: | rate of salary increase 4% compound per annum; fund yield 5 3/4% compound per annum; 1971 Group Annuity Table used to represent the mortality of members both before and after retirement, set-back 1 year for males and 7 years for females; the YMPE to increase at 12½% per annum for 4 years, and at 3% thereafter. |
| Indexing: | plan provides for indexing the C.P.I. of 2% per annum. Adjustments above this are done on an ad hoc basis depending on the ability of the plan to absorb increases and the priorities that exist at any given time. |
| Portability: | transfer provisions provide for the transfer of pension contributions (vested on a 5 year schedule) to the pension plan of a subsequent employer, or to an R.R.S.P. with restrictions. Alternatively, an employee may elect to receive a cash refund of his contributions plus credited interest to date of termination, with restrictions. |
| Anticipated changes: | none at present |
| Reciprocal Agreements: | Federal Government<br>Province of New Brunswick |

## LAURENTIAN UNIVERSITY/UNIVERSITE LAURENTIENNE

**Type of Plan:** money purchase plan with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff except those under age 25 must have 12 months' service; compulsory at age 30.

**Member Contributions:** 3.2% of plan earnings up to YMPE and 5% of plan earnings in excess of YMPE.

**University Contributions:** 5.2% of plan earnings up to YMPE and 7% of plan earnings in excess of YMPE, plus a minimum guarantee contribution, which at this time is 1½% of members' plan earnings.

**Benefits:**

1) **on Normal Retirement:** (age 65) an annuity purchased by the vested amount in the money purchase fund at retirement subject to the minimum guarantee: [(1.05% x YMPE) + (1.75% x EX)] x (YS after 30.06.75)] + [(.75 of 1% x YMPE) + (1.75% x EX)] x [(YS between 01.07.66 and 30.06.75)] + [(1.5% x ABYE x YS before 01.07.66)]. ABYE, also used in finding EX, is calculated over those five years of highest earnings.

**Indexing:** once a year after they have started at the lesser of 3% per year or the rate at which the Consumer Price Index is increasing

**Standard Options:** the form of annuity is usually chosen by the member from amongst the following options:
i) life guaranteed 60, 120 or 180 months
ii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annuity and, subsequently, the minimum guarantee are actuarially reduced

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred annuity payable at retirement
ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP.
iii) refund of member's contributions and interest if member is less than age 30 or has not contributed to plan for at least 13 months

4) **on Death:**

**Before retirement:**
a) refund of the total amount of his Money Purchase Account including the University's contributions.
b) if a married person who joined the plan before July 1, 1975 dies in service before normal retirement date but after completing at least five years of membership of the plan and prior plan, a pension equal to one-half of the accrued pension of the member at the date of his death shall be payable to his widow until her death and thereafter in equal shares to such surviving children as shall be under age 18 at the date of payment of the benefit.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments

Model Pension Calculation:

minimum guaranteed annual pension

| | | |
|---|---|---|
| (Sept. 62 - June 66) | | (1.5% x 50,000 x 4) |
| (July 66 - June 75) | + | (0.75% x 20,800) + (1.75% x 29,200) x 9 |
| (July 75 - June 97) | + | (1.05% x 20,800) + (1.75% x 29,200) x 22 |
| | | $3,000.00 + $6,003.00 + $16,046.80 |
| | = | $25,049.80 |

| | |
|---|---|
| Trustee: | Montreal Trust |
| Investment Manager: | Ruggles & Crysdale, Inc. |
| Pension Committee: Composition: | 3 representatives appointed by the Board of Governors, 3 representatives appointed by the Laurentian University Faculty Association and 2 representatives appointed from other employee groups. |
| Responsibility: | to recommend changes to plan |
| Status: Unfunded liability: | as of July 1, 1982 - $434,233.00 |
| Experience Deficiency: | NIL |
| Actuarial Evaluation Date: | July 1, 1981 |
| Actuarial assumptions in the fund projection: | - salary 4% + seniority<br>- rate of return 6%<br>- mortality according to the 1971 Group Annuity Mortality Table for active members and the Progressive Annuity Table for retired members. |
| Indexing: | once yearly at the lessor of 3% or the rate at which the C.P.I. is increasing |
| Portability: | transfer to another employer or R.R.S.P. |
| Anticipated changes: | NIL |
| Reciprocal Agreements: | Teacher's Superannuation Commission |

## MCMASTER UNIVERSITY

**Type of Plan:** defined benefit

**Eligibility:** all full-time and regular part-time academic and non-academic staff; compulsory on July 1 following 6 months employment

**Member Contributions:** 3.5% of regular earnings up to YMPE and 5% of regular earnings in excess of YMPE

**University Contributions:** at least an amount equal to the member's required contributions, currently 200% of aggregate member contributions

**Benefits:**

1) **on Normal Retirement:** (age 65)
the annual pension provided by the formula:
[(1.05% x YMPE) + (1.5% x EX)] x YS before age 45 + [(1.4% x YMPE) + (2.0% x EX)] x YS after age 45.
EX = ABYE - YMPE where ABYE is calculated over those five years of highest earnings.

**Indexing:** no formal indexing scheme. Ad Hoc (each year since 1977) Pensioner reserve indexing using excess earnings approach.

**Standard Options:** the benefit is normally payable for life, and thereafter in the amount of 50% to surviving joint annuitant
- options: guaranteed 5 years; guaranteed 10 years; 66 2/3% joint survivor

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and actuarially reduced

3) **on Termination:** member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement
ii) transfer of twice member's contributions, plus interest, to registered pension fund of new employer, R.R.S.P. (locked-in)
iii) refund of member contributions and interest

4) **on Death:**

**Before retirement:** beneficiary receives member's contributions plus interest as a lump sum

**After retirement:**
i) married: spouse receives 50% of member's pension until death or remarriage
ii) not married: beneficiary receives remainder, if any, of guaranteed 60 monthly payments

**Model Pension Calculation:** Based on best 5 year average salary of $50,000 with 35 years service immediately prior to retirement at age 65.

For service to age 45:

| | |
|---|---|
| 1.05% x 20,800 x 15: | $3,276 |
| + 1.5% x (50,000 - 20,800) x 15 = | $6,570 |
| | $9,846 |

Plus: For service from age 45:

| | |
|---|---|
| 1.4% x 20,800 x 20: | $5,824 |
| + 2.0% x (50,000 - 20,800) x 20: | $11,680 |
| | $17,504 |

Total Pension Payable $27,350

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Jarislowsky, Fraser & Co., Mucana. |
| Pension Committee: | |
| Composition: | two faculty members, two support staff members, two professional/management members and four members representing the Finance Committee of the Board of Governors. All appointments are made by the President. In the case of faculty and staff members, respective associations recommend individuals to the President. |
| Responsibility: | advisory only to the Finance Committee of the Board of Governors |
| Status: | |
| Unfunded liability: | NIL |
| Experience deficiency: | NIL |
| Fund performance: | rate of return on investments made by the fund:<br>based on book value: (including realized gains or losses)<br>1970-71 = 6.1% 1971-72 = 7.4% 1972-73 = 7.01%<br>1973-74 = 7.5% 1974-75 = 7.18% 1975-76 = 4.61%<br>1976-77 = 6.66% 1977-78 = 7.16% 1978-79 = 10.78%<br>1979-80 = 13.94% 1980-81 = 13.43% 1981-82 = 6.97%<br>1982-83 = 11.04% 1983-84 = 13.42% |
| Actuarial Evaluation Date: | obtained annually on July 1<br>filed triennially (last filing July 1, 1983) |
| Reciprocal Agreements: | Federal Government, Province of Ontario, Secondary School Teachers Federation, Province of Alberta |
| Actuarial assumptions in the fund projection: | rate of salary increase = 5%<br>rate of return on investments = 6% pre-retirement<br>4.5% post-retirement |
| Indexing (actual): | Maximum increase each July equal to the annual rate of increase in the C.P.I. or the excess of interest earnings on the fixed income portion of fund over the actuarially assumed rate of return; whichever is less.<br>Actual increases<br>1977 - 5.8% 1980 - 5.6% 1983 - 10.7%<br>1978 - 5.9% 1981 - 6.4% 1984 - 5.8%<br>1979 - 4.7% 1982 - 9.1% |
| Portability: | maximum amount transferable equal twice members' contributions plus interest (locked-in). |
| Anticipated changes: | Under Review |

## ONTARIO INSTITUTE FOR STUDIES IN EDUCATION

**Type of Plan:** defined benefit with minimum money purchase provision

**Eligibility:** for all full-time faculty, professional general support staff and academic support - compulsory after age 25. For part-time - one time option on hiring.

**Contributions:** 6% of regular earnings less CPP contributions

**OISE Contributions:** amount recommended by actuarial report.

**Benefits:**

1) **on Normal Retirement:** (age 65) annual Pension provided by the formula: 1.5% of best average earnings up to CPP earnings ceiling at date of retirement, plus 2% of best average earnings over CPP ceiling multiplied by years of plan membership to a maximum of 35 years.

**Indexing:** N/A

**Standard Options:** benefit normally payable for life but guaranteed for 60 months with other available options:
a) reduced pension guaranteed for 120 months
b) life only
c) joint and last survivorship

2) **on Early Retirement:** (age 55 - 65) A member who retires in accordance with Clause 4.1 shall be entitled to receive a reduced pension which will be the Actuarial Equivalent of the annual pension calculated in the manner of Clauses 3.2 and 3.3, but commencing on the Early Retirement Date.

3) **on Termination:** member's option of (subject to pension laws):
i) deferred annuity payable at normal retirement based on service and earnings to resignation.
ii) 25% of surrender value of such deferred annuity in cash.
iii) transfer of member contributions plus a vested portion of employer contributions to RRSP or to a registered fund of new employer (subject to certain conditions).
iv) refund of member contributions and interest.

4) **on Death:**

**Before retirement:** contributions with interest (or commuted value of pension earned if greater) are payable to beneficiary in a single lump sum payment.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of pension payments.

**Model Pension Calculation:** annual pension provided by the formula: assuming best averageearnings are $50,000 with 35 years pensionable service and CPP ceiling is set at $20,800

= 1.5 x 20,800 x 35 years = $10,920.00
2% x 29,200 x 35 years = $20,440.00
Yearly income from plan = $31,360.00

| | |
|---|---|
| Trustee: | N/A |
| Investment Manager: | Standard Life |
| Pension Committee: Composition: | Representatives from Board of Governors and Staff Associations. |
| Responsibility: | to review the plan and recommend changes |
| Status: Unfunded liability: | Nil |
| Experience Deficiency: | Nil |
| Fund performance: | rate of return last 5 years<br>1978-79 = 24.97% 1979-80 = 22.35%<br>1980-81 = -2.29% 1981-82 = 19.05%<br>1982-83 = 21.21% |
| Actuarial Evaluation Date: | December 31, 1980 |
| Actuarial assumptions in the fund projection: | rate of salary increase 5% compounded per annum; fund yield 6%; 1971 group annuity table used to represent the mortality of members both before and after retirement; the YMPE to increase at 12½% per annum until 1983, and at 4% thereafter. |
| Indexing: | N/A |
| Portability: | N/A |
| Reciprocal Agreements: | Ontario Public Service Superannuation Board<br>Universities Academic Pension Boards - Alberta<br>Colleges of Applied Arts and Technology |

## UNIVERSITE D'OTTAWA/UNIVERSITY OF OTTAWA

| | |
|---|---|
| Type of Plan: | defined benefit |
| Eligibility: | all full-time academic and non-academic staff; compulsory at age 30 |
| Member Contributions: | 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE |
| University Contributions: | an amount necessary to provide all of the benefits accruing to members; as of May 31, 1976, 8.74% of member's regular salary |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | the annual pension provided by the formula: (1.5% x ABYE x YS before 01.09.63) + (1.3% x YMPE) + (2.0% x EX) x YS after 01.09.63. ABYE calculated over those five years of highest earnings. |
| Indexing: | guaranteed 2% per annum + application of "excess interest principle" on a yearly basis. |
| Standard Options: | the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available.<br>i) life only<br>ii) life guaranteed 120 or 180 months |
| 2) on Early Retirement: | the annual pension as provided by the formula but based on service and earnings to early retirement and actuarially reduced by approximately 4% for each year early retirement precedes the normal retirement date. |
| 3) on Termination: | member's option of (subject to pension laws):<br>i) a deferred pension payable at normal retirement based on service and earnings to resignation<br>ii) transfer of twice member's contributions, plus interest, to registered pension fund of new employer or to an RRSP<br>iii) refund of member contributions and interest if under age 40 and a member of the plan for less than five years.<br>iv) transfer of member's valued benefit prior to reaching 55. |
| 4) on Death: | |
| Before retirement: | beneficiary receives twice member's required contributions plus interest as a lump sum |
| After retirement: | spouse or dependents guaranteed member's full pension up to 60 months from retirement and 50% of member's pension after the 60 month period. If no spouse, benefits to beneficiary are determined by guaranteed period of payments |

Model Pension Calculation:

based on an average salary of $50,000

Data a) Participation: 35 years (01.07.48 to 30.06.83) b) Average salary: $50,000 c) Y.M.P.E. (1984): $20,800

Calculation

service prior to September 1, 1963

$50,000 x 1.5% x $\frac{5537}{365}$ $11,377.40

service from September 1, 1963

$20,800 x 1.3% x $\frac{7238}{365}$ $ 5,362.07

$29,200 x $\frac{2}{100}$ x $\frac{7238}{365}$ $11,580.80

$28,320.27

| | |
|---|---|
| Trustee: | Royal Trust |
| Investment Manager: | Royal Trust |
| Pension Committee: Composition: | The Committee includes the following members: a) two members of the Board of Governors appointed by the Board; b) a member appointed by the Board of Governors to serve as Chairman of the Committee; c) the Director of Personnel Services; d) two members of the Pension Plan appointed by the Association of Professor of the University of Ottawa; e) two members of the Pension Plan and of the teaching staff other than the above-mentioned, appointed by the Senate; f) four members of the Pension Plan and of the support staff; f) four members of the Pension Plan and of the support staff:<br>- one person appointed from nominations received from the committee representing management and professional employees;<br>- one person appointed from nominations received from the committee representing clerks and secretaries;<br>- one person appointed from nominations received from the committee representing technicians;<br>- one person appointed from nominations received from the Library employees. |
| Responsibility: | advise, change by-law recommend large plan |
| Status: | |
| Unfunded liability: | N/A |
| Experience Deficiency: | N/A |
| Actuarial Evaluation Date: | January 1, 1984 |
| Actuarial assumptions in the fund projection: | based on 5% salary increases and with a 6% return investment on the fund. |
| Indexing: | increase up to a guaranteed 2% per annum + application of "excess interest principle". |
| Portability: | amount required by the recipient plan or twice the member's required contributions, whichever is less. |
| Anticipated changes: | NIL |
| Reciprocal Agreements: | Federal Government, Ontario Teacher's Superannuation Commission Central Mortgage and Housing Corporation, Government of Quebec, University of Montreal, University of Quebec, Laval University. |

## QUEEN'S UNIVERSITY

| | |
|---|---|
| Type of Plan: | money purchase with a minimum guarantee |
| Eligibility: | all full-time and continuing part-time academic and support staff, compulsory for full time staff at age 30. |
| Member Contributions: | 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE |
| University Contributions: | 7.5% of member's regular earnings less CPP contribution |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | A single pension to be established at retirement equal to the greater of the Money Purchase balance at retirement and the Minimum Guarantee. This pension to be adjusted each year by the 4 year moving average fund earnings. Pensions in payment will never be reduced regardless of performance. At the time of retirement the Money Purchase component is converted into pension using the same factor for men and women. The conversion factor is to be adjusted from time to time so not to impose any additional cost to the plan. |
| Standard Options: | the annuity is normally a life only annuity but may optionally be:<br>i) life guaranteed 60 or 120 months or 180 months<br>ii) joint and last survivorship |
| 2) on Early Retirement: (age 55) | Member's choice of either a deferred annuity commencing at any time up to normal retirement, or an annuity commencing at early retirement. Annuity to be established using the method described under Normal Retirement. Benefits paid early are reduced by 1/2 of 1% for each month the retiree precedes the normal retirement. |
| 3) on Termination: | member's option of (subject to pension laws):<br>i) deferred pension payable at normal retirement<br>ii) transfer of money purchase account to registered pension fund of new employer or RRSP.<br>iii) refund of member's contributions and interest |
| 4) on Death: | |
| Before retirement: | i) no spouse: payment of twice member's required contributions plus interest to beneficiary<br>ii) surviving spouse has option of:<br>a) lump sum payment as above<br>b) variable annuity purchased by this lump sum<br>c) fixed annuity purchased by this lump sum |
| After retirement: | benefit entitlement to beneficiary as determined by guaranteed period of annuity payments |
| Model Pension Calculation: | money purchase pension likely in excess but minimum guaranteed annual pension:<br>(1.30% x $16,720) + (1.75% x $33,280) x 35<br>(217.36 + 582.40) x 35<br>= $27,991.60 |

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Jarislowsky, Fraser & Co. |
| Pension Committee: | |
| Composition: | two faculty members and two support staff members appointments by Principal and two members representing the administration (V.P. Resources and Director of Personnel) and two members from Board of Trustees. |
| Responsibility: | responsible for investment policy decisions (e.g., proportion of fund investment in equities) and selection of investment manager and plan policy. |
| Status: | |
| Unfunded liability: | NIL |
| Fund performance: | rates of return on investments made by the fund.<br>1970-71 = 12.3% 1971-72 = 14.6% 1972-73 = 0.06%<br>1973-74 =-15.9% 1974-75 = 17.6% 1975-76 = 8.6%<br>1976-77 = 10.7% 1977-78 = 17.6% 1978-79 = 16.7%<br>1979-80 = 14.6% 1980-81 = 5.8% 1981-82 = 12.2%<br>1982-83 = 30.2% 1983-84 = 11.0% (E) |
| Actuarial Evaluation Date: | August 31, 1981 |
| Actuarial assumptions in the fund projection: | given the current rate of employee/employer contributions, assumptions made by the actuary in projecting the fund's solvency are: are of salary increase = 2.5%, real rate of return on investments after inflation = 3%, rate of mortality as in the annuity tables for 1949. |
| Indexing (actual): | Based on fund performance. |
| Portability: | money purchase component is transferable to another registered pension fund or to RRSP. Plan amended to include portability clause. |
| Reciprocal Agreements: | Reciprocal Agreements with Public Service, Ontario Provincial Government and Ontario Teachers Superannuation |

## RYERSON

| | |
|---|---|
| Type of Plan: | defined benefit |
| Eligibility: | Compulsory for full-time faculty (other than those contributing to T.S.F.) and administrative and academic support staff on date of appointment. |
| Member Contributions: | 6% of salary in total to both Ryerson Plan and C.P.P. (+1% to superannuation adjustment benefit plan (S.A.B.A.) from 1/8/77). |
| Employer Contributions: | 6% of salary in total to both Ryerson Plan and C.P.P. (+1% to S.A.B.A. from 1/8/77). |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | the annual pension provided by the formula. YS x 2% x average salary for best consecutive 60 months, less .7% of Y.M.P.E. x YS since January 1, 1966. |
| Indexing: | from 1/8/77 all employees covered by S.A.B.A. Those who retired prior to 1/1/76 receive adjustable pension supplement. |
| Standard Options: | pension benefit payable for life. |
| 2) on Early Retirement: (age 55) | a) a member who has completed 10 years of service and who elects to retire after the age of 55 years shall be entitled to an early retirement pension commencing on the first day of the next month following the month in which he retires. Pension is reduced by 5% for each year early retirement precedes normal retirement.<br><br>b) a member has attained the age of 60; and has credited service of 20 or more years is entitled to a pension without any age reduction factor.<br><br>c) a member has credit in the fund for a number of years and months of service that, when added to his exact age, totals at least ninety years is entitled to a pension without any age reduction factor. |
| 3) on Termination: | members option of (subject to pension laws) i) before member has completed 10 years of service, the contributions made by the member shall be refunded to him with interest; or contributions plus interest may be transferred to an R.R.S.P. ii) after 10 years service member may elect a deferred pension payable at normal retirement based on service and earnings at date of resignation. |

4) on Death:

Before retirement:

i) where a member who is not in receipt of a pension dies,
a) before he has attained the age of 65 years and before he has completed 10 years of service, or
b) leave no dependent
the contributions made by the member shall be refunded with interest to his estate.

ii) where a member dies after completion of 10 years of service or has attained the age of 65 years, a pension shall be payable to,
a) the spouse until his or her death or remarriage and thereafter to such of the deceased member's children under the age of 18 years, or
b) children, then under the age of 18 years if the deceased member does not leave a spouse who is entitled to a pension

After retirement:

50% of the member's pension is paid to the widow until death or remarriage and in any event until the youngest child reaches age 18. Spouses pension is reduced by 2½% for each whole year that the spouses age is more than 10 years less than the member's age.

Model Pension Calculation:

assume average salary for best 60 consecutive months is $50,000 with 35 years credited service to December 31, 1984.

$35 \times \frac{2}{100} \times 50{,}000 = \$35{,}000.00$

(Less C.P.P. reduction factor, YS from January 1, 1966 to December 31, 1984 - 19 years (YMPE 1984 - 20,800)

$19 \times \frac{0.7}{100} \times 20{,}800 = \$2{,}766.40$

Therefore pension would be:
= $35,000.00 - 2,776.40
= $32,233.60

Trustee: Ontario Municipal Employees Retirement Board

Investment Manager:

Pension Committee:
Composition:

Responsibility:

Status:
Unfunded liability:

Experience Deficiency:

Fund performance:

Actuarial Evaluation Date:

Actuarial assumptions in the fund projection:

Indexing (actual):

Portability:

Anticipated changes:

Reciprocal Agreements:

i) Teachers' Superannuation Commission
ii) Province of Ontario
iii) Federal Government
iv) Hospitals of Ontario Pension Plan and Hospital for Sick Children Pension Plan
v) Colleges of Applied Arts and Technology
vi) Province of Alberta

## UNIVERSITY OF TORONTO

| | |
|---|---|
| Type of Plan: | defined benefit with minimum pension guarantee |
| Eligibility: | all full-time academic and non-academic staff and part-time staff with an annual salary of at least 40% of the YMPE; compulsory for full-time staff at age 35. |
| Member Contributions: | full-time staff: 2½% of regular earnings up to YMPE and 5% of regular earnings in excess of YMPE; part-time staff: 5% of annual earnings. |
| University Contributions: | at least an amount equal to the member's required contributions; currently approximately 252.7% of member contributions. |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | the annual pension provided by the formula: ((1.0% x avg YMPE) + (2.0% x EX)) x YS subject to the minimum pension guarantee of 40% of member's total required contributions. ABYE, used in finding EX, is calculated over those 36 months of highest earnings. Part-time staff earn, each year, a pension credit equal to 2% of the earnings on which contributions were made in that year. |
| Indexing: | Annual indexation equal to CPI-4% (but not less than 0) and in addition further augmentation will be considered on an annual ad hoc basis. |
| Standard Options: | the benefit is normally payable for life but guaranteed 60 months in any event, but may optionally be guaranteed 120 months to single members only |
| 2) on Early Retirement: (age 55) | members who have at least 5 years of participation in the plan will receive a benefit based on service and earnings to early retirement and reduced 5% for each year early retirement precedes normal retirement. |
| 3) on Termination: | member's option of (subject to pension laws):<br>i) a deferred paid-up annuity payable at normal retirement based on service and earnings to resignation<br>ii) transfer of twice member's contributions plus interest to registered pension fund or to an RRSP<br>iii) refund of member contributions and interest<br>iv) leave contributions in Plan thus retaining a pension entitlement which is subject to indexation (deferred pension) |
| 4) on Death: | |
| Before retirement: | All Staff: Return of member's contributions, plus interest (based on CPI + 2%) compounded annually is paid to the beneficiary. |
| After retirement: | Single members: Beneficiary receives balance of unpaid portion of five year guaranteed pension. Married members: 50% of the member's pension is paid to the spouse until death or remarriage and in any event until the youngest child reaches age 21. |
| Model Pension Calculation: | Based on 35 years of pensionable service<br>(1.0% x 18,600.00)) + (2.0% x 31,400) x 35<br>= $28,490.00 |

| | |
|---|---|
| Trustee: | Montreal Trust Company |
| Investment Manager: | Beutel, Goodman & Co. Ltd., Knight, Bain, Seath & Holbrook Capitol Management Inc., Jarilowski, Fraser Co. Ltd. |
| Pension Committee: Composition: | Committee members from the Staff & Faculty Associations are nominated by their respective association and then appointed by the President of the University. |
| Responsibility: | to review terms benefits, and administration of the pension plan including employee/employer costs, performance of the fund, and the making of recommendations for changes in the plan when necessary. |
| Status: Unfunded liability: | Results of 1984 Valuation Report Pending |
| Experience Deficiency: | No deficits are anticipated |
| Fund performance: | rates of return on investments made by the fund:<br>1977-78 = 7.737 1978-79 = 8.102 1979-80 = 8.914<br>1980-81 = 9.691 1981-82 = 10.391 1982-83 = 10.186<br>1983-84 = 8.838 |
| Actuarial Evaluation Date: | June 30, 1984 |
| Actuarial assumptions in the fund projection: | Valuation Interest Rate - 8%<br>Inflation - 5 3/4%<br>Salary scale is composed of an assumed inflation rate, a factor to reflect future increased in productivity and a merit and promotion scale.<br>1971 Group Annuitants Mortality Table rated down 2 years. |
| Indexing (actual): | July 1, 1979 - 5.0% July 1, 1981 - 7.0% July 1, 1983 - 5.3%<br>July 1, 1980 - 6.5% July 1, 1982 - 8.7% July 1, 1984 - .5% |
| Portability: | pension credits, that is, the greater of twice member's contributions, plus interest, or the accrued value of the pension are transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, would probably be lost in the transfer. |
| Anticipated changes: | Currently under review - minor changes anticipated over the next year or two. |
| Reciprocal Agreements: | Federal Government, Province of Ontario, Ontario Teachers Superannuation, Alberta Universities Academic Pension Board, Ontario Council of Regents for Colleges of Applied Arts and Technology, Hospital for Sick Children, Alberta Public Service Pension Board, University of Guelph, University of Manitoba, McGill University and The Ontario Cancer Institute, Trinity College and Victoria University. |

## TRENT UNIVERSITY

**Type of Plan:** defined benefit; final average earnings

**Eligibility:** all full-time academic and non-academic staff; compulsory from date of appointment.

**Member Contributions:** 3% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE.

**University Contributions:** amount necessary to adequately fund the plan as defined by the actuary.

**Benefits:**

1) **on Normal Retirement:** (age 65)
the annual pension provided by the formula:
((1.0% x avg YMPE) + (2.0% x EX) x YS.
ABYE, used in finding EX, calculated over those five years of the last ten years with the highest earnings (avg YMPE = average of 5 most recent YMPE's)

**Indexing:** as provided by a specified portion of the annual earnings of that part of the pension fund which supports payments to pensioners.

**Standard Options:** the "normal pension" benefit is payable for life, but is also guaranteed 60 months and the following options are available:
i) life only
ii) life guaranteed 120 months
iii) joint and last survivorship

2) **on Early Retirement:** (age 55)
the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.5% for each month early retirement precedes normal retirement.

3) **on Termination:**
member's option of (subject to pension laws):
i) a deferred pension payable at normal retirement
ii) transfer of twice member's contributions, plus interest, to registered fund of new employer or to RRSP.
iii) refund of twice member's contributions and interest.

4) **on Death:**

**Before retirement:** beneficiary receives member's contributions plus interest a) as a lump sum, b) in instalments, or c) as life annuity.

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of benefit payments.

**Model Pension Calculation:** assuming 35 years of service and average salary of $50,000
(1.0% x $16,720) + (2.0% x $33,280) x 35
= ($167.20 + 665.60) x 35
= $29,148 p.a.

| | |
|---|---|
| Trustee: | National Trust |
| Investment Manager: | Sceptre Investments |
| Pension Committee: Composition: | Balanced representation of Board, Faculty, Staff and Administration. |
| Responsibility: | (a) Receive reports, monitor the plan and to recommend to the Board;<br>(b) Both Committee and Board approvals needed for plan changes. |
| Status: Unfunded liability: | None on July 1, 1983 |
| Experience Deficiency: | None on July 1, 1983 |
| Fund performance: | 2.3% over 1 yr.<br>12.4% annualized over 4 yrs. |
| Actuarial Evaluation Date: | July 1, 1984 |
| Actuarial assumptions in the fund projection: | Interest 6%<br>Salary Scale 5%<br>C.P.P. Scale, 12½% to 1985, 4% thereafter. |
| Indexing (actual): | 1 July 1978 - 3.3%<br>1 July 1979 - 4.9%<br>1 July 1980 - 7.6%<br>1 July 1981 - 8.0%<br>1 July 1982 - 10.5%<br>1 July 1983 - 5.6%*<br>1 July 1984 - 3.7%<br>*pensioners as of or before July 1, 1981 received more in 1983. |
| Portability: | twice member contributions plus interest are transferable to another registered pension plan or R.R.S.P. |
| Anticipated changes: | Membership for part-time staff and faculty, under review. |
| Reciprocal Agreements: | Government of Canada, Teachers' Superannuation Commission, Province of Ontario. |

## UNIVERSITY OF WATERLOO

**Type of Plan:** defined benefit

**Eligibility:** all full-time academic from day one of employment and non-academic staff 3 mos. following appointment, compulsory from age 35.

**Member Contributions:** 6.5% of regular earnings less CPP contributions.

**University Contributions:** at least an amount equal to the aggregate of the members' required contributions; currently, 100% of aggregate.

**Benefits:**

1) **on Normal Retirement:** (age 65) the annual pension provided by the formula: ((1.3% x avg YMPE of previous 3 years) + (2.0% x EX)) x YS. FAE used in finding EX, is calculated over those five years of the last ten years with the highest earnings.

**Indexing:** guaranteed up to 5% if cost of living index warrants but more is possible subject to fund's ability to pay.

**Standard Options:** the benefit is normally payable for life, but guaranteed 60 months in any event, although the following options are available:

i) life only
ii) life guaranteed 120 months
iii) joint and last survivorship

2) **on Early Retirement:** (age 55) the annual pension as provided by the formula but based on service and earnings to early retirement and reduced 0.33% for each month early retirement precedes age 65, for the ages 60-65, and 0.5% for each month early retirement precedes age 60.

3) **on Termination:** member's option of (subject to pension laws):

i) a deferred pension payable at normal retirement
ii) transfer of twice member's contributions (or actuarial value of accrued pension, if greater), plus interest, to registered pension fund of new employer or to an RRSP that is locked in.
iii) refund of members contributions and interest.

4) **on Death:**

**Before retirement:** refund of member's required contributions plus interest to the beneficiary

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of benefit payments.

**Model Pension Calculation:** annual pension provided by the formula:
[(.013% x 20,900) + .02 (50,000 - 20,900)] 35
= [271.70 + 582.00] 35
= $29,879.50

Trustee: Canada Trust

Investment Manager: Canada Trust, Mutual Life, Guardian Capital

Pension Committee:

Composition: three faculty members selected by Faculty Association for approval by President, 2 Board members appointed by Board, two non-union staff members; one union staff member; Treasurer; Director of Employee and Student Services; University President.

Responsibility: responsible for monitoring the results of the investment management of the fund and for the periodic review of the plan to keep it current with other plans.

Status:

Unfunded liability: no present unfunded liability

Experience Deficiency: no present experience deficiency

Fund performance:

| | Book | Yield on Fund |
|---|---|---|
| 1975 | 5.50% | 11.96% |
| 1976 | 5.10% | 11.74% |
| 1977 | 5.55% | 9.64% |
| 1978 | 8.15% | 17.12% |
| 1979 | 14.71% | 19.05% |
| 1980 | 15.49% | 23.56% |
| 1981 | 12.51% | -0.80% Market |
| 1982 | 9.43% | 23.57% |
| 1983 | 7.68% | 19.16% |

Actuarial Evaluation Date: January 1, 1984

Actuarial assumptions in the fund projection: Mortability 1971 Group Annuitants
Interest - 7%
CPI - 4%

Portability: pension credits, that is, twice member contributions plus interest or actuarial value of accrued pension are transferable to another registered pension fund but a number of years of service, used to calculate the defined benefit, would probably be lost in the transfer depending on new plan benefits and costs.

Reciprocal Agreements:

- Public Service Superannuation
- Alberta Superannuation
- University of Manitoba

## UNIVERSITY OF WESTERN ONTARIO

**Type of Plan:** money purchase (minimum guarantee to faculty members who belonged to the old plan as of 01.07.70 and were age 45 as of 01.07.70 and staff members who were employees as of 01.05/74)

**Eligibility:** all full-time academic staff; compulsory from date of appointment. All full-time administrative staff and union, voluntary from date of appointment, compulsory from age 30.

**Member Contributions:**
Faculty - 5.5% of regular earnings
Staff - 6.0% of regular earnings less C.P.P. contributions

**University Contributions:**
Faculty - 8.5% of member's regular earnings
Staff - 7.5% of member's regular earnings

**Benefits:**

1) **on Normal Retirement:** (age 65) an annuity purchased by the vested amount in the member's money purchase account. Members subject to the minimum guarantee will receive at least:
Faculty - (2.0% x ABYE x YS to max. 20 yrs.) + (1.0% x ABYE x YS after 20 yrs. to max. 20 yrs.)
Staff - (2.0% x ABYE x YS to max. 35 yrs) - (0.7% x ABYE up to YMPE in retirement YR x YS after 01.01.66)
Note - ABYE calculated over the best 5 years.

**Indexing:** on Ad Hoc basis

**Standard Options:** the annuity is normally a fixed life annuity guaranteed 60 months but may optionally be:
i) members not subject to minimum guarantee may elect to purchase a variable life annuity, or an indexed annuity in which benefit amounts are adjusted yearly according to the CPI (max. 3% per annum)
ii) in any event, the type of annuity chosen is payable according to one of the following typical options:
   a) life only
   b) life guaranteed 120 months - also 180
   c) joint and last survivorship

2) **on Early Retirement:** (age 55) the monthly annuity payments are actuarially reduced

3) **on Termination:** member's option of (subject to pension laws):
   i) deferred pension payable at normal retirement
   ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP
   iii) cash refund subject to appropriate withholding tax.

4) **on Death:**
**Before retirement:** beneficiary has option of receiving member's money purchase account as a lump sum, as an immediate life annuity or may transfer to an R.R.S.P.

**After retirement:** benefit entitlement to beneficiary as determined by the guaranteed period of annuity payments.

Model Pension Calculation:

minimum guaranteed annual pension for only those subject to the minimum guarantee:

Faculty - (2.0% x $50,000 x 20) + (1.0% x $50,000 x 15)
= $20,000 + $7,500
= $27,500.00

Staff (2.0% x $50,000 x 35 ) - (0.7% x 20,800 x 18)
= $35,000 - $2,620.80
= $32,379.20

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Guaranteed Account - Manuvest<br>Fixed Income Fund - J.R. Senegal<br>- Black Calper & Heessels Ltd.<br>Equity Fund - Beutel Goodman<br>- Bolton Tremblay Inc.<br>- Connor, Clark & Lunn<br>- Knight, Bain, Seath & Holbrook |
| Pension Committee: | |
| Composition: | three members of faculty and three members of staff elected by members of the plan plus Vice-President, Administration and Finance (or his designate) and the Director of Personnel (or his designate) |
| Responsibility: | full power to administer the University Pension Plan including questions concerning the Plan and to make recommendations concerning the eligibility of any person, to prepare accounts and records showing detailed operation of the Plan and to arrange for the audit of plan records and accounts. |
| Status: | |
| Unfunded liability: | NIL |
| Experience Deficiency: | NIL |
| Fund performance: | for 12 month period ending December 31, 1983<br>Guaranteed Fund - 13.9%<br>Fixed Income Fund - 9.4%<br>Equity Fund - 31.36% |
| Actuarial Evaluation Date: | December 31, 1983 |
| Actuarial assumptions in the fund projection: | that the contribution accounts would accumulate at a net average rate of return of 7% per annum, that salaries would increase at an average annual rate of 5% per annum, and that the accumulated money purchase accounts would be converted to a pension on the basis of annuity factors calculated at 7% interest with mortability according to the Progressive Annuity Table. |
| Indexing: | NIL |
| Portability: | Employee and employer contributions plus accrued interest. |
| Anticipated changes: | Presidents advisory committee established to study and recommend a formal indexing policy |
| Reciprocal Agreements: | Public Service Superannuation. |

## WILFRID LAURIER UNIVERSITY

| | |
|---|---|
| Type of Plan: | money purchase with minimum guarantee |
| Eligibility: | all full-time academic and non-academic staff; compulsory at age 30. |
| Member Contributions: | 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE. |
| University Contributions: | approximately 6.63% of member's regular earnings for current service. |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | a variable annuity purchased by the vested amount in the money purchase fund at retirement subject to the minimum guarantee: (1.75% x ABYE x YS) - (CPP benefit x 1/35 x YS) ABYE calculated over those five consecutive years of highest earnings. |
| Indexing: | based on the increase in the cost of living with a maximum of 2% |
| Standard Options: | the annuity is normally a life annuity guaranteed 60 months but may optionally be: i) life guaranteed 120 months ii) life guaranteed 180 months iii) joint and last survivorship |
| 2) on Early Retirement: (age 55) | a variable annuity commencing at early retirement and subject to an actuarially reduced minimum guarantee. |
| 3) on Termination: | member's option of (subject to pension laws): i) deferred pension payable at normal retirement ii) transfer of money purchase account to registered pension fund of new employer or to an RRSP iii) refund of member's contributions and interest if he is less than age 45 and has less than 10 years service. |
| 4) on Death: | |
| Before retirement: | beneficiary has option of receiving member's money purchase account as a lump sum or as a life annuity. |
| After retirement: | benefit entitlement to beneficiary or estate as determined by guaranteed period annuity payments. |
| Model Pension Calculation: | minimum guaranteed annual pension: (1.75% x $50,000 x 35) - ($4650 x 1/35 x 35) = $30,625 - 4650 = $25,975 |

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Jarislowsky, Fraser & Co. |
| Consultant: | Wm. M. Mercer Ltd. |
| Pension Committee: Composition: | Standing Committee of Board of Governors; 2 staff appointed by Staff Association, 2 faculty appointed by Faculty Association, 5 board members appointed by Board of Governors, 1 Staff appointed by the Union. |
| Responsibility: | The Pension Committee shall determine all questions arising in the administration of the Plan, including the interpretation and application of the Provisions of the Plan together with eligibility, service, earnings and retirement dates of members for purposes of the Plan. Such decisions of the Pension Committee shall be final and binding on all concerned, subject, when necessary, to referral to the Board of Governors of the University.<br>In addition, the Pension Committee will be responsible for reviewing the performance of the Fund, and for the preparation of recommendations to the Board of Governors of the University concerning proposed changes in the Plan, or in its funding. |
| Status: Unfunded liability: | NIL |
| Fund performance: | rate of return on investment made by the fund as per Wood Gundy time-weighted rate of return.<br>1973-74 = 11.25%<br>1974-75 = (10 months) = 10.01%<br>1975-76 = 9.18%<br>1976-77 = 12.4%<br>1977-78 = 10.56%<br>1978-79 = 11.08%<br>1979-80 = 7.80%<br>1980-81 = 3.3%<br>1981-82 = 1.3%<br>1982-83 = 45.4%<br>1983-84 = 2.5% |
| Actuarial assumptions in the fund projection: | No change |
| Indexing: | No change |
| Portability: | Money purchase component is transferable to another registered pension fund. |
| Anticipated changes: | Examining a formal indexing policy for those on money purchase pension |
| Reciprocal Agreements: | Ontario Teachers Superannuation |

## UNIVERSITY OF WINDSOR

| | |
|---|---|
| Type of Plan: | Defined Benefit; F.A.E. (STAFF) |
| Eligibility: | all full-time union and administrative staff upon completion of probation period. |
| Member Contributions: | 4.2% of gross earnings up to YMPE and 6% of gross earnings in excess of YMPE |
| University Contributions: | Such amount that may be required to provide retirement income accruing to members pursuant to the plan; plus any unfunded liabilities or experience deficiency; plus 1% of member's earnings to the minimum guarantee fund. |
| Benefits: | |
| 1) on Normal Retirement: (age 65) | [(1.25% x AVG YMPE) + (1.75% x EX)] x YS<br>ABYE, used in finding EX, calculated over those five years of highest earnings. |
| Indexing: | NONE |
| Standard Options: | Normal - Life guaranteed 5 years<br>Optional - Life only<br>- Life guaranteed 10<br>- Joint & Survivor |
| 2) on Early Retirement: (age 55) | member may take a reduced pension earned to date of retirement. |
| 3) on Termination: | (Subject to Pension legislation)<br>1. Deferred pension<br>2. Refund of Member's contributions plus interest. |
| 4) on Death: | |
| Before retirement: | Lump sum refund of member's contributions plus interest. For employees with eleven or more years of service will receive part or all of university's contributions. |
| After retirement: | As per option selected. |
| Model Pension Calculation: | minimum guaranteed annual pension:<br>[(1.25 x 12,920) + (1.75 x 37,080)]<br>= (161.50 + 582.15) x 35<br>= $26,027.75 5 yr. guarantee |

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Manulife Investment Corporation, and<br>Jarislowsky Fraser |
| Pension Committee:<br>Composition: | 5 Members appointed by University<br>1 Member to be appointed by each of 5 unions - Total 5<br>Chairman elected from committee |
| Responsibility: | All questions arising from administration of plan<br>- interpretation, application of provisions of plan<br>- earnings, service, eligibility, retirement dates. |
| Status: | |
| Unfunded liability: | NONE |
| Experience Deficiency: | NONE |
| Fund performance: | June 30, 1982 = (3.70)%<br>June 30, 1983 = 39.13<br>June 30, 1984 = (2.773)% |
| Actuarial Evaluation Date: | July 1, 1983 |
| Actuarial assumptions in the fund projection: | 6% July 1, 1983<br>1971 Group Annuity Table<br>No Turnover<br>Retire - age 65<br>Salary Increase 5% |
| Indexing: | NONE |
| Portability: | YES |
| Anticipated changes: | UNDER REVIEW |
| Reciprocal Agreements: | NONE |

WINDSOR (cont'd)

Type of Plan: money purchase with minimum guarantee (FACULTY)

Eligibility: all full-time academic staff; compulsory at the later or either the date of appointment or age 25.

Member Contributions: 4.2% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

University Contributions: an amount equal to the member's required contributions to the money purchase fund plus 1.5% of member's regular earnings to the minimum guarantee fund.

Benefits:

1) on Normal Retirement: (age 65)

* a variable annuity purchased by the bested amount in the money purchase fund at retirement subject to the minimum guarantee:
((1.05% x avgYMPE) + (1.75% x EX)) x YS
ABYE, used in finding EX, calculated over those five years of highest earnings.

Indexing: maximum 2% per annum

Standard Options: the annuity is normally a life annuity guaranteed 60 months but may optionally be:
i) life only
ii) life guaranteed 120 or 180 months
iii) joint and last survivorship

2) on Early Retirement: (age 55) a variable annuity commencing at early retirement and subject to the minimum guarantee and actuarially reduced.

3) on Termination: member's option of (subject to pension laws):
i) deferred pension payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer
iii) refund of member's contributions and interest

4) on Death:

Before retirement: beneficiary has option of receiving member's money purchase account as a lump sum, as a life annuity, or in instalment payments.

After retirement: benefit entitlement to beneficiry as determined by guaranteed period of annuity payments.

Model Pension Calculation: minimum guaranteed annual pension:
((1.05% x $12,920) + 1.75% x $37,080) x 35
= ($135.66 x $582.15) x 35
= $25,123.35 5 Yr. Guarantee

| | |
|---|---|
| Trustee: | Canada Trust |
| Investment Manager: | Manulife Investment Corporation, and<br>Jarislowsky Fraser |
| Pension Committee:<br>Composition: | two faculty members appointed by Faculty Association, two others appointed by Board of Governors, Vice-President, Finance-Administration (Chairman). |
| Responsibility: | review plan text, advise Faculty Association or employee groups of day to day operation of plan. |
| Status:<br>Unfunded liability: | $68,000 - July 1, 1981 (paid-up July 1, 1992) |
| Experience Deficiency: | $114,000 - July 1, 1981 (paid-up July 1, 1983) |
| Fund performance: | June 30, 1980 - 11.12%<br>June 30, 1981 - 8.94%<br>June 30, 1982 - (3.61%)<br>June 30, 1983 - 39.03%<br>June 30, 1984 - (2.770)% |
| Actuarial Evaluation Date: | July 1, 1981 |
| Actuarial assumptions in the fund projection: | - mortality - annuity table for 1949.<br>- pension fund will earn interest of 4½% per annum.<br>- salary increases - 2½% per annum and YMPE will increase at the rate of 1% per annum. |
| Indexing (actual): | 2% per year |
| Portability: | YES |
| Anticipated changes: | Effective July 1, 1985<br>((1.25 x AVE YMPE) + (2.00 x EX)) x YS |
| Reciprocal Agreements: | NIL |

## YORK UNIVERSITY

**Type of Plan:** money purchase with minimum guarantee

**Eligibility:** all full-time academic and non-academic staff age 25 or over; compulsory at age 30.

**Member Contributions:** 4.5% of regular earnings up to YMPE and 6% of regular earnings in excess of YMPE

**University Contributions:** at least an amount equal to the member's required contributions; currently, 135% of member contributions

**Benefits:**

1) **on Normal Retirement:** (age 65) a variable annuity purchased by the best amount in the money purchase fund at retirement subject to the minimum guarantee:
((1.125% x avg YMPE) + (1.50% x EX)) x YS
ABYE, used in finding EX, is calculated over those five years of highest earnings since 01.07.60

**Indexing:** maximum 2% per annum cumulative

**Standard Options:** the annuity is usually a Normal Form of annuity but may optionally be:
i) life guaranteed 60, 120 or 180 months
ii) joint and last survivorship

2) **on Early Retirement:** (age 55) a variable life annuity, commencing at early retirement, subject to an actuarially reduced minimum guarantee

3) **on Termination:** member's option of (subjection to pension laws):
i) a deferred annuity payable at normal retirement
ii) transfer of money purchase account to registered pension fund of new employer or RRSP (Locked In) iii) refund of member contributions and interest.

4) **on Death:**

**Before retirement:**
i) no spouse or dependents: settlement equal to the balance in the "money purchase" account of the deceased member with credited interest.
ii) married at least one year: payment to spouse of 50% of member's normal retirement pension plus a monthly payment to dependent children of .0083 of member's annual earnings at death (Maximum $200.00)

**After retirement:** benefit entitlement to beneficiary as determined by guaranteed period of annuity payments, or if no guaranteed period, payment of spouse benefit.

**Model Pension Calculation:** minimum guaranteed annual pension:
[(1.125% x $16,720) + (1.5% x $33,280)] x 35
= ($188.10 + 499.20) x 35
= $24,055.50

| | |
|---|---|
| Trustee: | Canada Trust Co. |
| Investment Manager: | Beutel, Goodman Company Ltd.<br>Sceptre Investment Counsel Limited<br>J.R. Senecal & Associates |
| Pension Committee:<br>Composition: | two faculty members, one non-academic staff member, and six members representing the administration and the Board of Governors. |
| Responsibility: | Reviews and recommends administrative/investment proposals/changes to Board of Governors |
| Status:<br>Unfunded liability: | no unfunded liability as of December 31, 1982 |
| Fund performance: | fund rate of interest:<br>June 30, 1972 = +10.4% — June 30, 1973 = (2.935%)<br>June 30, 1974 = (3.813%) — June 30, 1975 = 10.559%<br>June 30, 1976 = 5.542% — June 30, 1977 = 7.298%<br>June 30, 1978 = 10.8602% — June 30, 1979 = 21.1175%<br>June 30, 1980 = 15.189% — June 30, 1981 = 11.8784%<br>June 30, 1982 = (5.662%) — Dec. 31, 1982 = 25.801%<br>Dec. 31, 1983 = 19.5973% |
| Actuarial assumptions in the fund projection: | Salary Scale 5%<br>Interest 6%<br>CPP Scale 7% for 2 yr.<br>4½% thereafter |
| Indexing (actual): | 2% per annum |
| Portability: | money purchase component is transferable to another registered pension fund but the minimum guarantee is effectively sacrificed in the sense that a number of years of service would probably be lost in the transfer. |
| Anticipated changes: | Improve minimum guaranteed formula<br>basis of calculating inflation adjustment |